

The Labor Market and the Marriage Market: How Adverse Employment Shocks Affect Marriage, Fertility, and Children's Living Circumstances*

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Abstract

The structure of marriage and child-rearing in U.S. households has undergone two marked shifts in the last three decades: a steep decline in the prevalence of marriage among young adults, and a sharp rise in the fraction of children born to unmarried mothers or living in single-headed households, the latter of which is concentrated among non-college and minority households and thus particularly affects lower-SES children. A potential contributor to both phenomena is the declining labor market opportunities faced by non-college and minority males, which make these males less valuable as marital partners. We explore the impact of the labor market on the marriage market by exploiting large scale, plausibly exogenous trade-induced shocks to local manufacturing employment, stemming from rising import competition from China. We trace out how these shocks impact marriage, divorce, childbearing, and the prevalence of children growing up in poor and single-parent households. We find that trade shocks between 1990 and 2010 have had quite modest impacts on household structure in aggregate. When we disaggregate these shocks into components affecting male versus female employment, however, we find impacts that are both economically and statistically significant. Import shocks concentrated on male employment reduce marriage rates and fertility, raise the fraction of births due to teen mothers, and, most significantly, increase the fraction of children living either in poverty or in single-headed households. On net, our findings do not suggest that rising import competition from China has been an important contributor to changing marital behavior in this time interval, since these shocks have not been particularly biased against males. But our analysis strongly supports the hypothesis that changes in labor demand that reduce male employment opportunities—and in particular, the sharp decline in labor market conditions facing non-college U.S. males over the last three decades— may be a quantitatively important contributor to the rise in the share of U.S. children living in poor and in single-headed households.

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